IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM 1981

---

No: .....

---

HANS BOTHKE, Petitioner,

v.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

---

APPENDIX

---

Hans Bothke
400 S.Flower
LL-156,
Orange, California
92668
Tel: (714) 978-2724
Petitioner in
pro per.

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

---

HANS BOTHKE,
Petitioner-Appellant,

v.

Commissioner of Internal Revenue,
Respondent-Appellee.

---

No. 80-7321

Tax Court # 1644-78

MEMORANDUM

---

Argued and Submitted- November 4,1981

Decided - November 23,1981

Appeal from the United States Tax Court

---

Before:Pregerson and Alarcon,Circuit Judges,
and Smith,*District Judge.

The decision of the Tax Court sustaining, in large part,the Commissioner's determination of an income tax deficiency is affirmed.

Bothke's arguments on appeal are without merit.First,personal living expenses are not deductible under I.R.C.Para.162.See I.R.C. Para.262 and 26 C.F.R. Para.1.262-1.

Second, the Tax Court was entitled to determine the weight to give to uncorroborated testimony concerning an accident that allegedly destroyed Bothke's car. See Gruding v.C.I.R., 536 F.2d 295, 296 (9 th Cir.1976). The Court's finding that Bothke failed to carry the burden of proof to establish a casualty loss is not clearly erroneous. Third, Bothke's contention that he has discretion to value his paychecks according to their worth in silver dollars is frivolous. Finally, comments by the Court and conduct by the Commissioner did not rise to the level to deny Bothke due process.

AFFIRMED.

---

* The Honorable Russell E.Smith, Senior United States District Judge, District of Montana, sitting by designation.

(RETYPED)

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

HANS BOTHKE,
Petitioner-Appellant,

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent-Appellee.

---

No: 80-7321

---

ORDER

---

Before: PREGERSON AND ALARCON, Circuit Judges, and Smith,* District Judge.

The panel has voted to deny the petiti- for rehearing. Judges Pregerson and Alarcon have voted to reject the suggestion for rehearing en banc and Judge Smith recommends such rejection.

The full court has been advised of the en banc suggestion and no judge of the court has requested a vote on it.

The petition for rehearing is denied and the suggestion for rehearing en banc is rejected.

---

* The Honorable Russell E. Smith, Senior District Judge, District of Montana, sitting by designation.

(RETYPED)

UNITED STATES TAX COURT

HANS BOTHKE, Petitioner,

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

---

Docket No: 1644-78

---

DECISION

---

Pursuant to the opinion of the Court filed January 2,1980,and incorporating herein the facts recited in the respondent's computation as the findings of the Court,it is ORDERED and DECIDED:
That there is a statutory deficiency in income tax due from the petitioner for the taxable year 1976 in the amount of $ 4,228.00,and there is an overpayment in income tax for the taxable year 1976 in the amount of $ 595.23,which amount was paid on April 15,1977,and for which amount a claim for refund was filed April 15,1977, which was within the period provided by section 6511(b)(2) of the Internal Revenue Code of 1954,and which claim had not been disallowed before the date of the mailing of the notice of deficiency.

(Signed) HOWARD A.DAWSON,JR.

Judge.

Entered: April 14,1980

(RETYPED)

NATIONAL ENQUIRER, May 18,1982 BY GEORGE HUNTER

IT'S AN OUTRAGE!
JUDGE GIVES DRUG DEALER TAX BREAK ON HIS EXPENSES.

In one of the most bizarre legal decisions ever,a U.S.Tax Court judge allowed a drug trafficker to claim normal tax deductions for his illegal business expenses!

The crook wrote off his rent,car,phone and even his drug packaging expenses--just like a salesman writes off his travel costs!

"This is an insult to all honest taxpayers," snapped U.S.Sen.Bill Armstrong(R.-Colo.) he added,"Crime not only seems to pay--but also gets a government stamp of approval!"

The incredible outrageous case started when Jeffrey Edmondson of Minneapolis,Minn.,filed an income tax return deducting $ 105,300 as the cost of buying amphetamines,cocain and marijuana he sold during the year.

Edmondson,who is a convicted drug dealer, even claimed deductions for his phone,transportation,packaging,apartment rent-and even for the scale on which he weighed his wares.

I.R.S.officials informed Edmondson he could not deduct his criminal business expenses-but he had the gall to take them to court.

And there he found softhearted Judge William Goffe,who,in effect,gave Edmondson's seamy drug trade the government's blessing!

In his decision,Judge Goffe said,"We hold that these expenses were made in connection with the petitioner's trade or business and were both ordinary and necessary."

Incredibly,the judge said that Edmondson's "role in the drug market,together with his appearance and candor at trial,cause us to believe that he was honest,forthright and candid in his reconstruction of the income and expenses from his illegal activities."

And Sen.Armstrong is infuriated by Judge Goffe's goofy reasoning.He's introduced a bill in Congress barring such deductions.
"It's insanity,"he fumed."here we are spending millions of dollars every year trying to stamp out drug smuggling,and a U.S.tax judge allows an illegal drug dealer to claim tax deductions."
Added Sid Taylor,research director of the National Taxpayers Union,"Deductions for criminals like this make dopes out of taxpayers.It's crazy.It's like a holdup man deducting his bullets for tax purposes!"

(RETYPED)